



General Assembly

January Session, 2015

Committee Bill No. 461

LCO No. 3937



* 0 3 9 3 7 S B 0 0 4 6 1 P D *

Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
(PD)

AN ACT PROHIBITING THE ASSIGNMENT OF CERTAIN MUNICIPAL LIENS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-195h of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 Any municipality, by resolution of its legislative body, as defined in
4 section 1-1, may assign, for consideration, any and all liens filed by the
5 tax collector to secure unpaid taxes in excess of two thousand five
6 hundred dollars on real property as provided under the provisions of
7 this chapter. The consideration received by the municipality shall be
8 negotiated between the municipality and the assignee. The assignee or
9 assignees of such liens shall have and possess the same powers and
10 rights at law or in equity as such municipality and municipality's tax
11 collector would have had if the lien had not been assigned with regard
12 to the precedence and priority of such lien, the accrual of interest and
13 the fees and expenses of collection and of preparing and recording the
14 assignment. The assignee shall have the same rights to enforce such
15 liens as any private party holding a lien on real property including, but
16 not limited to, foreclosure and a suit on the debt. The assignee, or any

17 subsequent assignee, shall provide written notice of an assignment, not
18 later than thirty days after the date of such assignment, to any holder
19 of a mortgage, on the real property that is the subject of the
20 assignment, provided such holder is of record as of the date of such
21 assignment. Such notice shall include information sufficient to identify
22 (1) the property that is subject to the lien and in which the holder has
23 an interest, (2) the name and addresses of the assignee, and (3) the
24 amount of unpaid taxes, interest and fees being assigned relative to the
25 subject property as of the date of the assignment.

26 Sec. 2. Subsection (c) of section 7-254 of the general statutes is
27 repealed and the following is substituted in lieu thereof (*Effective*
28 *October 1, 2015*):

29 (c) Any municipality, by resolution of its legislative body, may
30 assign, for consideration, any and all liens filed by the tax collector to
31 secure unpaid sewer assessments in excess of two thousand five
32 hundred dollars as provided under the provisions of this chapter. The
33 consideration received by the municipality shall be negotiated between
34 the municipality and the assignee. The assignee or assignees of such
35 liens shall have and possess the same powers and rights at law or in
36 equity as such municipality and municipality's tax collector would
37 have had if the lien had not been assigned with regard to the
38 precedence and priority of such lien, the accrual of interest and the fees
39 and expenses of collection. The assignee shall have the same rights to
40 enforce such liens as any private party holding a lien on real property,
41 including, but not limited to, foreclosure and a suit on the debt. Costs
42 and reasonable attorneys' fees incurred by the assignee as a result of
43 any foreclosure action or other legal proceeding brought pursuant to
44 this section and directly related to the proceeding shall be taxed in any
45 such proceeding against each person having title to any property
46 subject to the proceedings. Such costs and fees may be collected by the
47 assignee at any time after demand for payment has been made by the
48 assignee.

49 Sec. 3. Subsection (b) of section 7-258 of the general statutes is
50 repealed and the following is substituted in lieu thereof (*Effective*
51 *October 1, 2015*):

52 (b) Any municipality, by resolution of its legislative body, may
53 assign, for consideration, any and all liens filed by the tax collector or
54 collector of sewerage system connection and use charges to secure
55 unpaid sewerage connection and use charges in excess of two
56 thousand five hundred dollars as provided under the provisions of
57 this chapter. The consideration received by the municipality shall be
58 negotiated between the municipality and the assignee. The assignee or
59 assignees of such liens shall have and possess the same powers and
60 rights at law or in equity as such municipality and municipality's tax
61 collector would have had if the lien had not been assigned with regard
62 to the precedence and priority of such lien, the accrual of interest and
63 the fees and expenses of collection. The assignee shall have the same
64 rights to enforce such liens as any private party holding a lien on real
65 property, including, but not limited to, foreclosure and a suit on the
66 debt. Costs and reasonable attorneys' fees incurred by the assignee as a
67 result of any foreclosure action or other legal proceeding brought
68 pursuant to this section and directly related to the proceeding shall be
69 taxed in any such proceeding against each person having title to any
70 property subject to the proceedings. Such costs and fees may be
71 collected by the assignee at any time after demand for payment has
72 been made by the assignee.

73 Sec. 4. Subsection (c) of section 7-239 of the general statutes is
74 repealed and the following is substituted in lieu thereof (*Effective*
75 *October 1, 2015*):

76 (c) Any municipality, by resolution of its legislative body, may
77 assign, for consideration, any and all liens filed by the superintendent
78 of the waterworks system or tax collector to secure unpaid water
79 charges in excess of two thousand five hundred dollars as provided
80 under the provisions of this chapter. The consideration received by the

81 municipality shall be negotiated between the municipality and the
 82 assignee. The assignee or assignees of such liens shall have and possess
 83 the same powers and rights at law or in equity as such municipality
 84 and municipality's tax collector would have had if the lien had not
 85 been assigned with regard to the precedence and priority of such lien,
 86 the accrual of interest and the fees and expenses of collection. The
 87 assignee shall have the same rights to enforce such liens as any private
 88 party holding a lien on real property, including, but not limited to,
 89 foreclosure and a suit on the debt. Costs and reasonable attorneys' fees
 90 incurred by the assignee as a result of any foreclosure action or other
 91 legal proceeding brought pursuant to this section and directly related
 92 to the proceeding shall be taxed in any such proceeding against each
 93 person having title to any property subject to the proceedings. Such
 94 costs and fees may be collected by the assignee at any time after
 95 demand for payment has been made by the assignee.

| | | |
|---|-----------------|----------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | October 1, 2015 | 12-195h |
| Sec. 2 | October 1, 2015 | 7-254(c) |
| Sec. 3 | October 1, 2015 | 7-258(b) |
| Sec. 4 | October 1, 2015 | 7-239(c) |

Statement of Purpose:

To limit the assignment of tax, sewer and water liens to liens on unpaid taxes, sewer charges and assessments, and water charges in excess of two thousand five hundred dollars.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. KANE, 32nd Dist.

S.B. 461